

**REMARKS**

Applicant respectfully requests reconsideration of the application.

Claims 1-4, 6-9, 11-14, and 26 are rejected under 35 U.S.C. 102(e) as being anticipated by U.S. Patent No. 5,444,779 to Daniele ("Daniele").

Claim 5 is rejected under 35 U.S.C. 103(a) as being unpatentable over Daniele in view of U.S. Patent No. 5,473,631 to Moses ("Moses").

Claims 10 and 27-29 are rejected under 35 U.S.C. 103(a) as being unpatentable over Daniele in view of U.S. Patent No. 5,249,166 to Hamilton et al. ("Hamilton").

Rejection of claims 1-4, 6-9, 11-14, and 26 as being anticipated by Daniele

Claim 1

Daniele's glyphs are visible symbols on a document as clearly depicted in Figs. 4-6. The glyph markings are specifically placed in the background or margin so as not to interfere with other perceptible information on the document. The glyph markings are not "steganographic" as claimed. Claim 1 is amended to clarify that steganographically embedded information refers to modifications to visual or audio data that are imperceptible. Daniele teaches the use of visible glyphs, and therefore, Daniele fails to teach all of the elements of claim 1.

Claim 8

Daniele teaches a system that uses visible glyph markings on documents. These glyphs are visible line structures that have no applicability to audio information. Daniele fails to teach any steganographic method for conveying data in audio, nor does it teach the use of steganographic data in audio source material as set forth in claim 8 all of the elements of claim 8.

Claim 11

Daniele does not teach a steganographically encoded object, nor decoding such steganographically encoded auxiliary data as claimed. Claim 1 has been amended to clarify the steganographic aspects of claim 11. As noted, Daniele's use of visible glyph

markings is not steganographically encoded auxiliary information. Therefore, Daniele does not teach all of the elements of claim 11.

#### Claim 26

Daniele fails to teach any method for altering music data to steganographically insert plural bits of watermark data as claimed.

Dependent claims 2-4, 6-7, 9, and 12-14 are patentable over Daniele for the same reasons as their corresponding base claims. Therefore, no further elaboration on differences between these claims and Daniele is necessary at this time.

#### Rejection of Claim 5 as being obvious in view of a combination of Daniele and Moses

##### Claim 5

Daniele teaches a system that relies on visible glyph markings for documents, while Moses teaches methods for simultaneous transmission of data and audio. There is no suggestion in either of these references to combine Moses teachings regarding audio with Daniele's system that relies on visible glyph markings on documents.

#### Rejection of Claims 10 and 27-29 as being obvious in view of a combination of Daniele and Hamilton

##### Claim 10

Daniele and Hamilton fail to teach: "detecting the presented audio source material with a microphone, and decoding the auxiliary data from a microphone output signal." Daniele refers only to a visible marking approach usable only on documents and is not applicable to audio. Hamilton refers to reading digital audio data stored on an optical disk. In particular, it refers to the use of a laser to read digital data encoded in pits and lands on a CD. It does not teach detecting audio with a microphone, nor does it teach decoding auxiliary data from a microphone output signal as claimed. The combination of these references fails to teach all of the elements of the claims.

##### Claims 27-29

Neither Daniele nor Hamilton teach any method for for altering music data to steganographically insert plural bits of watermark data as claimed. Therefore, the combined teachings fail to teach all of the elements of the base claim 26 as well as the dependent claims 27-29.

New Claims

Note that new claim 90 added in the last response was not examined. Applicant has chosen to cancel claim 90 without prejudice because it anticipates obtaining coverage for related subject matter in another application.

Claims 91-94 are new dependent claims that include additional elements that further distinguish these claims from Daniele.

Date: May 22, 2006

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Respectfully submitted,

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